Progress Energy

April 16, 2012

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

RE: Docket No. 2011-158-E –
Application of Duke Energy Corporation and Progress Energy, Inc., to Engage in a Business Combination Transaction and Address Regulatory Conditions and Codes of Conduct

Dear Mrs. Boyd:

Duke Energy Corporation ("Duke"), Progress Energy, Inc. ("Progress"), Duke Energy Carolinas, LLC ("DEC"), and Progress Energy Carolinas, Inc. ("PEC") (collectively, "the Applicants") are submitting in this docket their response to the Federal Energy Regulatory Commission's ("FERC") request for additional information regarding the Applicants March 26, 2012 compliance filling issued on April 10, 2012 in Docket No. EC-11-60-000 and are herewith making the same filing with this Commission to be consistent with Order No. 2011-754. In Order No. 2011-754, the Commission required the Applicants to file their previous FERC Mitigation Proposal in Docket Nos. 2011-68-E and 2011-158-E.

Attached to this letter is the FERC filing of additional information filed with FERC in Docket No. EC11-60-001.

Sincerely,

Kendal C. Bowman
Associate General Counsel
Progress Energy Carolinas, Inc.

Attachment

STAREG2484

Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27602

BEFORE

THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2011-158-E

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:

Application of Duke Energy Corporation and Progress Energy, Inc., to Engage in a Business Combination Transaction and Address Regulatory Conditions and Codes of Conduct	))))	**CERTIFICATE OF SERVICE**

I, Kendal C. Bowman, hereby certify that Progress Energy Carolinas, Inc.'s letter regarding filing comments or requesting a hearing has been served on all parties of record either by hand delivery or email said copy in the United States mail, postage prepaid, addressed as follows, this the 16th day of April, 2012:

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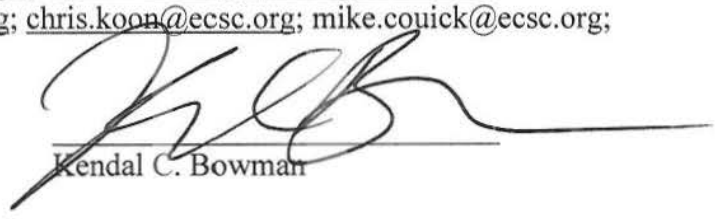

Kendal C. Bowman

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Public Version
Confidential Information Removed
Pursuant to 18 C.F.R. § 388.112

April 13, 2012

By Hand Delivery

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

RE: *Duke Energy Corporation and Progress Energy, Inc.*, Docket No EC11-60-004

Dear Secretary Bose:

Duke Energy Corporation and Progress Energy, Inc. (collectively, the "Applicants") hereby respond to the April 10, 2012 letter from Steve Rodgers in the above-referenced proceeding, requesting additional information regarding the Applicants' March 26, 2012 compliance filing (the "March 26 Compliance Filing"). As explained in more detail, much of the requested modeling information was included with the March 26 Compliance Filing, and the revisions to the modeling requested by the Commission either do not change or slightly improve the delivered price test ("DPT") results presented in the March 26 Compliance Filing.

Consequently, the Applicants request that the Commission provide for a shortened comment period that adopts the same April 25 comment date for this

filing that was applied to the March 26 Compliance Filing. The Applicants also renew their request that the Commission issue an order approving the March 26 Compliance Filing within 60 days of that filing, but in no event later than June 8, 2012.

I. RESPONSE TO REQUESTS FOR INFORMATION

1. ***In their original merger application, Applicants provided three seasonal benchmark models for the 2011/2012 seasons (Winter 2011, Spring 2012, and Summer 2012) for the balancing authority areas (BAA) of Carolina Power & Light-East (CPLE or PEC-East), Carolina Power & Light-West (CPLW), and Duke Energy (Duke). These models were used to conduct energy transfer analyses for determining Duke Energy Carolinas, LLC's (Duke Energy Carolinas) and Progress Energy Carolinas, Inc.'s (Progress Energy Carolinas) import capabilities.***

The transmission models Applicants submitted in the March 26 Compliance Filing are different than the seasonal benchmark models filed in support of the original Merger Application. Although Applicants are proposing to mitigate the competitive harms identified in the Merger Order through the seven proposed Transmission Expansion Projects, Applicants do not provide seasonal benchmark models that include the seven proposed Transmission Expansion Projects and the Greenville-Kinston Dupont 230 kV Line. Furthermore, although Applicants applied the seasonal benchmark models provided with the Merger Application to each of the three BAAs, in the March 26 Compliance Filing Applicants provided different types of supporting analyses for Duke Energy Carolinas and Progress Energy Carolinas, and neither analysis appears to examine all seven of the proposed Transmission Expansion Projects and the Greenville-Kinston Dupont 230 kV Line. In addition, many of the models provided for Progress Energy Carolinas in the March 26 Compliance Filing do not appear to "solve." To address these issues, please respond to the following:

a. ***Please modify the three seasonal benchmark models used in Applicants' Merger Application by including the seven proposed Transmission Expansion Projects and the Greenville-Kinston Dupont 230 kV Line.***

b. ***Please provide the three solved, modified seasonal benchmark models requested in 1(a) in Power System Simulator Engineering (PSSE) ver. 32 or 33 .sav file format.***

c. ***If in producing the modified seasonal benchmark models requested in 1(a) Applicants have included any changes to the seasonal benchmark models provided in the Merger Application other than the seven proposed Transmission Expansion Projects and the Greenville-Kinston Dupont 230 kV Line, please provide:***

i. ***a detailed narrative description of any such changes; and***

ii. ***an electronic copy of the .idv file used to produce those changes.***

d. ***Please provide the data support files (SUB, CON, and MON) for the modified seasonal benchmark models requested in 1(a).***

Response

In addition to the changes associated with the seven mitigation projects and the Greenville-Kinston-DuPont 230 kv line, the transmission models submitted in the March 26 Compliance Filing included certain changes (described in detail in response to Question 1(c) below) that reflect changes in modeling data and projected system operating conditions since the time that the Merger Application was filed on April 4, 2011. None of these changes affect the SIL assumptions that were used in the Merger Application, as they do not affect the limit that determines the SILs prior to transmission expansion, but only the effectiveness of the expansion projects. Contrary to the assertion in this question, the transmission models submitted in the March 26 Compliance Filing do include the effects of all seven transmission expansion projects and the Greenville-Kinston Dupont 230 kV line. Furthermore, the transmission models submitted with the March 26 Compliance Filing were derived from solved cases. However, in accordance with Commission precedent,[1] the models provided to the Commission in the March 26 Compliance Filing were presented in a .raw format rather than a .sav format, which could create obstacles in running the model to verify that the cases solve. As described below, the Applicants are resubmitting the models today in a .sav format.

a. The Applicants are providing the requested modified seasonal benchmark models in PSSE version 32 format.[2]

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1 The Commission has requested that data be submitted in .raw format for reference base case models in other contexts. *See, e.g., Puget Sound Energy, Inc.*, 135 FERC ¶ 61,254 (2011) at Appendix B.

2 The models are provided on the CEII CD in the following files: 2012WINSIL+Upgrades.sav (2012 winter SIL case);

b. See response to 1(a).

c. The transmission models submitted in response to request 1(a) were modified somewhat from the models provided with the Merger Application to reflect changes in modeling data and projected system operating conditions since the Merger Application was filed on April 4, 2011. All of these changes occurred prior to March 26, 2012, and were included in the models submitted with the March 26 Compliance Filing.

(c)(i) The changes are as follows:

Four changes were made to the PEC Seasonal Benchmark Models to reflect changes since April 4, 2011.

i. The transmission line capacity ratings for AEP's Axton-Danville 138 kV Circuit #1 and Circuit #2 were changed from 296 MVA each to 394 MVA (Circuit #1) and 398 MVA (Circuit #2), respectively, based on changes made since the date of the original Merger Application.

ii. The transmission line capacity rating for AEP's Danville-East Danville 138 kV Line was changed from 275 MVA to 384 MVA, based on an agreement reached with AEP to work with PEC to uprate this line.

iii. The transmission line capacity rating for PEC's portion of the Greenville(PEC)-Everetts(DVP) 230 kV Line was changed from 436 MVA to 478 MVA. PEC owns less than one mile of this line and the conductor type and construction is the same as Dominion's portion. After reviewing the line capacity parameters with Dominion, PEC determined that the PEC portion of the line would be uprated to match that of Dominion.

iv. PEC owns phase shifting transformers connected to its Rockingham-Lilesville Black and White 230 kV Lines. These phase shifters, which were installed around 1980, were not modeled in the original Seasonal Benchmark Models. PEC added the phase shifters in the modified Seasonal Benchmark Models for spring and summer since they are resources that are useful for increasing import capability.

2012SPRSIL+Upgrades.sav (2012 spring SIL case);
2012SUMSIL+Upgrades.sav (2012 summer SIL case).

Three additional changes were made to the DEC Seasonal Benchmark Models to reflect changes since April 4, 2011.

i. The transmission line capacity ratings for the Woodleaf-Pleasant Garden 500 kV Circuit #1 was changed from 1904.3 MVA to 2739 MVA (Circuit #1) for rates A, B and C (as specified in the transmission model). The rating change was due to a change in a piece of ancillary equipment (current transformer).

ii. For the summer and spring, the transmission line capacity ratings for the Harrisburg-Oakboro 230 kV Circuit #1 and Circuit #2 were changed from 437 MVA each to 421 MVA for rate A, from 482 MVA each to 464 MVA for rate B, and from 437 MVA each to 421 MVA for rate C. For the winter, the transmission line capacity ratings for the Harrisburg-Oakboro 230 kV Circuit #1 and Circuit #2 were changed from 583.2 MVA each to 553 MVA for rate A, from 612.7 MVA each to 584 MVA for rate B, and from 585.2 MVA each to 553 MVA for rate C. These changes in ratings reflect the application of facility ratings under a pending new Duke Facility Ratings Methodology which directly affects the DUK-CPLE interface.

iii. The transmission line capacity ratings for the Antioch-Mitchell River 230 kV Circuit #1 and Circuit #2 were changed from 717 MVA to 1038 MVA for rate B. The rating changes were due to a breaker upgrade at Mitchell River Tie associated with the Antioch transformer project.

These changes did not affect the limiting factor that established the SIL used in the Merger Application, and thus do not affect the results of the DPT analysis submitted with the Merger Application. Instead, the changes only affect the impact of the transmission expansion projects proposed in the March 26 Compliance Filing.

(c)(ii) The .idv files applied to the seasonal benchmark cases are included on the CEII CD.[3]

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[3] The .idv files are included under the following file names: (1) Uprate_Axton(AEP)-Danville(AEP).idv; (2) Uprate_Danville(AEP)-E-Danville(AEP).idv; (3) Uprate_Greenville-Everetts(DVP).idv; (4) Add_PhaseShifters_Lilesv-RockhamLines-SPRING-ONLY.idv; (5) Add_PhaseShifters_Lilesv-RockhamLines-SUMMER-ONLY.idv; (6) Woodleaf-Pleasant Garden rating update.idv; (7) Harrisburg-Oakboro rating

d. The Applicants are providing the requested data support files in the files in the CEII disk included with this filing.[4]

2. ***In the March 26 Compliance Filing, Managing and Utilizing System Transmission (MUST) study results were not provided for all three of the BAAs using modified seasonal models with all seven proposed Transmission Expansion Projects and the Greenville-Kinston Dupont 230 kV Line. Using the modified seasonal benchmark models requested in 1(a):***

   a. ***Please provide in spreadsheet format, the MUST study results for each of the following study areas:***

      i. ***the Duke BAA.***

      ii. ***the CPLE BAA.***

      iii. ***the CPLW BAA.***

   b. ***In selecting the study area seasonal energy transfer limits that produced the MUST study results in their March 26 Compliance Filing, Applicants did not identify each operating guide necessary to mitigate all lower energy transfer limits. To address this, for each seasonal MUST study requested in 2(a), please:***

      i. ***identify any operating guide that was used to mitigate all lower energy transfer limits; and***

      ii. ***provide a copy of any operating guide that was used to mitigate all lower energy transfer limits; and***

      iii. ***provide a detailed description of all operating guides used.***

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summer update.idv; (8) Harrisburg-Oakboro winter rating update.idv; (9) Antioch-Mitchell River upgrade.idv.

[4] The Applicants are providing the requested data support files in the files named below (1) MergerSILs.sub; (2) MergerSILs.mon; and (3) MergerSILs.con (which is a master contingency file that calls the following files) – ai12z1.con; am11s.con; br12z1.con; cp12z1.con; dk12z1.con; ek12z1.con; en12z1.con; lg12z1.con; pj11s2.con; SC12z1.con; sg12z1.con;so12z1.con; tv12z1.con; YD12Z1.con.

c. ***Please provide a detailed explanation for any differences between the data support files (SUB, CON, MON) used in Applicants' Merger Application MUST studies and the data support files used in the MUST studies requested in 2(a).***

d. ***When conducting the MUST studies using the modified seasonal benchmark models requested in 1(a), use the same SUB file that was used in Applicants' Merger Application MUST studies. Scale up available generation in the exporting areas (aggregated first tier) and scale down generation in the study area according to the same methods used historically in assessing available transmission for non-affiliate resources.***

Response

The Applicants included MUST study results for PEC in the March 26 Compliance Filing. However, the MUST studies covered only the transmission expansion projects necessary to cure the screen failures. For example, the Applicants did not perform a MUST study for the CPLW BAA because there are no screen violations in that BAA and none of the transmission projects are designed to increase import capacity into the CPLW BAA. Furthermore, the MUST studies performed for the CPLE BAA for the Winter and Shoulder periods covered only the first three transmission projects described in the March 26 Compliance Filing, which by themselves cured the Winter period screen failures without any need to consider the remaining projects. The MUST study for the CPLE BAA for the Summer period presented with the March 26 Compliance Filing included all seven expansion projects and the Greenville-Kinston Dupont 230 kV Line.

The Applicants did not perform a new MUST study for the Duke BAA because there was only a single transmission project in the Duke BAA. It was possible to determine the effect of that project on the Duke BAA SIL using the original MUST study provided with the FERC Application and therefore there was no need to conduct a new study.

The Applicants now have performed MUST studies that include all of the proposed transmission expansion projects for all three BAAs, and are submitting them herein as required by the Commission.

a. The Applicants are providing the requested MUST study results in the CEII disk included with this filing.[5]

b.(i) There were two operating procedures used to mitigate limits: DEC-Parkwood and PEC-Roxboro-Mayo.

b.(ii) The two operating procedures are provided in the CEII CD.[6]

b.(iii) Detailed descriptions of the two operating procedures are included in the CEII disk.[7]

c. The only SUB file change was due to the implementation of the Roxboro-Mayo Operating Procedure whereby the generation at the Roxboro and Mayo generating units is not scaled. This operating procedure is part of the proposed mitigation. A copy of the Roxboro-Mayo Operating Procedure is provided in 2 b.(ii).

The only CON file change was due to the addition of two new transmission lines that are part of the seven proposed Transmission Expansion Projects and the Greenville-Kinston Dupont 230 kV Line.

The MON file did not change.

d. The MUST studies provided in response to 2(a) have been performed as directed, except that changes to the SUB file used in the Merger Application have been made to reflect the changes resulting from the application of the Roxboro-Mayo operating procedure affecting Roxboro and Mayo generation.

3. If the SIL values resulting from the modified seasonal benchmark models requested in questions 1 and 2 for the CPLE and Duke BAAs differ from the SIL values used in the DPT studies provided in the March 26 Compliance Filing, provide new DPT studies incorporating these new SIL values.

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5 The files containing the MUST study results are: (1) 11W SIL results with merger upgrades final.xlsm; (2) 12Z SIL results with merger upgrades final.xlsm; (3) 12S SIL results with merger upgrades final.xlsm.

6 The file names of the operating procedures are: (1) Proposed Parkwood Transformer Operating Procedure.docx, and (2) Proposed Roxboro-Mayo Operating Procedure.docx.

7 The file names of the descriptions are: (1) Parkwood Operating Procedure Description.docx, and (2) Roxboro-Mayo Oper Proc Description.doc.

Response

The DPTs have been revised to reflect changes in the SILs. Attached are revised Exhibits WHH-4 through WHH-8, which reflect the revised DPT results. As shown in these exhibits, the SIL changes either do not change, or else slightly improve the DPT results shown in the March 26 Compliance Filing. It continues to be the case under the revised results that, after the transmission expansion projects are placed in service, there remains only a single two point screen failure occurring in the Summer Off-Peak period for the PEC East BAA.[8] Consequently, the revised DPT results do not change any of Dr. Hieronymus' conclusions described in his March 26, 2012 testimony.

4. ***The DPT results provided in the March 26 Compliance Filing list suppliers by acronym in each of the "Supplier.csv" files. Please provide an electronic file that provides the full name of the suppliers currently identified by acronyms, and the corresponding acronym.***

Response

The Applicants are providing the requested list of suppliers and acronyms in the file named " Wkp – Nodes in CASm Model in Response to FERC Request II-4.xls " in the public CD included with this filing. A workpaper that provides acronyms (or "Nodes") for each Supplier also was provided in the workpapers included in the public CD filed with the Applicants' Merger Application under the file name "XLS\Data Input\Miscellaneous\Wkp – Nodes in CASm.xls." In the March 26 Compliance Filing, some additional Nodes were added to incorporate the analysis of the interim mitigation.

5. ***In the March 26 Compliance Filing, Mr. Samuel S. Waters states in his testimony that the increase in transmission capability for the Summer of 2015 from PJM to PEC-East BAA will be 2,328 MW. March 26 Compliance Filing, Ex. No. PEC-1 at 20, line 9. He also states that the implementation of the proposed Transmission Expansion Projects results in an expected increase of 2,225 MW to the First Contingency Incremental Transfer Capability (FCITC) into the PEC-East BAA. March 26 Compliance Filing, Ex. No. PEC-1 at 9, lines 5-7.***

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[8] As explained in the March 26 Compliance Filing, this minor screen failure does not reflect a material competitive concern.

a. ***Is the proposed increase in the FCITC for the PEC-East BAA from all adjacent balancing authority areas less than the increase in the transmission capability from PJM to PEC-East BAA?***

b. ***Is the proposed increase in transmission values of 2,328 from PJM to PEC-East a point-to-point non-simultaneous estimate?***

c. ***Is the proposed increase in transmission values of 2,328 from PJM to PEC-East an additional 2,328 MW of power that can flow into PEC-East in all four summer DPT periods?***

Response

a. Yes. The reason for this is that the 2,225 MW increase in the FCITC for the PEC East BAA from all adjacent balancing authority areas is a change in the simultaneous import limit for the PEC East BAA, while the 2,328 MW increase in the PJM to PEC-East transmission capability is a non-simultaneous increase in the transmission capability of that specific interface.

b. Yes, this increase is a non-simultaneous estimate.

c. The increase in transmission capability values of 2,328 MW from PJM to PEC-East resulting from the transmission expansion projects represents an increase in the non-simultaneous summer transmission capability from PJM to PEC-East that was calculated assuming peak load conditions. The increase in the non-simultaneous transmission capability of this interface theoretically could be different during off-peak conditions. However, the standard industry practice is to develop and share transmission cases for each season based only on seasonal peak load conditions. As a consequence, there are no available data sets with the regional summer off-peak load, generation, and other information required by the FCITC models to perform a summer off-peak non-simultaneous transmission capability calculation. Under these circumstances, it is appropriate to use the calculated increase in non-simultaneous import capability based on peak period data to represent the impact of the transmission expansion projects. In any event, differences between summer peak and off-peak calculations of non-simultaneous transmission capability would not affect the calculation of the simultaneous import limit for the PEC-East BAA that was used in the DPT that was presented in the March 26 Compliance Filing.

The Applicants further note that the non-simultaneous import limit calculations presented in the original Merger Application were derived using OASIS postings for TTC and ATC, including the OASIS postings for the PJM to PEC-East interface. As is the case with the calculation of the increase in the non-simultaneous limit calculated for the PJM to PEC-East interface in the March 26 Compliance Filing, the TTC and ATC postings used in the original Merger Application to determine the non-simultaneous limit for the PJM to PEC-East interface also did not distinguish between peak and off-peak hours.

II. MATERIALS SUBMITTED WITH THIS RESPONSE

The Applicants' submission consists of the following:

(1) The narrative response provided in this letter above to the requests for information made in the letter from Mr. Rodgers.

(2) Revised Exhibits WHH-4 through WHH-8, presenting the revised DPT results discussed in response to Request No. 3.

(3) CDs containing the workpapers and information requested by the Commission:

- In accordance with the Commission's April 10 Letter, six copies of the CD containing the public workpapers.
- In accordance with Section 388.112 of the Commission's regulations, one copy of the confidential CD containing the proprietary model used to perform the DPT analysis submitted herein.
- In accordance with Section 388.112 of the Commission's regulations, three copies of the CD containing CEII information (an original and eight copies of the public CDs and an original and an original and two copies of the CEII CDs are being submitted).

(4) As required by the Commission's April 10 Letter, a form of notice of an amendment to the Applicants' March 26 Compliance Filing in accordance with Section 33.6 of the Commission's regulations,.

III. REQUEST FOR CONFIDENTIAL TREATMENT

The Applicants will provide the public workpapers to any party that so requests. With respect to the confidential and CEII workpapers, the Applicants

included as Appendix 1 to the Application a proposed Protective Order, based on the Commission's Model Protective Order, that would apply to the confidential and CEII CDs. Upon issuance of this order by the Commission, the Applicants will, upon request, make the confidential material available to any party that executes the appropriate non-disclosure certificate contained in the order. The Applicants also will provide a copy of the confidential workpapers upon request to any party that already has executed a confidentiality agreement with the Applicants.

This letter should serve as a request for confidential treatment pursuant to Section 388.112 of the Commission's regulations of the confidential workpapers, which contain competitively sensitive information that is not generally available to the public. Pursuant to Section 388.112(d) of the Commission's regulations, I should be contacted regarding the request for confidential status of these materials at the above address and phone number.

For purposes of internal review by Commission staff, materials submitted with the headings "PRIVILEGED MATERIALS" should be treated as privileged materials reviewable by the Commission staff.

CONCLUSION

The Applicants have provided all of the information requested by the Commission, much of which also was provided with the March 26 Compliance Filing, and the revisions to the modeling requested by the Commission either do not change or slightly improve the DPT results presented in the March 26 Compliance Filing. The Applicants request that the Commission provide for a shortened comment period that adopts the same April 25 comment date that was applied to the March 26 Compliance Filing. The Applicants also renew their request that the Commission issue an order approving the March 26 Compliance Filing within 60 days of that filing, but in no event later than June 8, 2012.

Respectfully submitted,

_____

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cc: Andrew Mosier
All parties
Enclosure

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Duke Energy Corporation	)	
	)	**Docket No. EC11-60-004**
Progress Energy, Inc.	)	

NOTICE OF FILING
(__, 2012)

Take notice that on April 13, 2012, Duke Energy Corporation ("Duke Energy") and Progress Energy, Inc. ("Progress Energy") (together, "Applicants"), filed additional information in this proceeding in response to a request from the Commission's Staff dated April 10, 2012. This filing is deemed to be an amendment to the Applicants' March 26, 2012 Compliance Filing.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§ 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Kimberly D. Bose
Secretary

Comment Date: [ ]

Transmission Upgrades and Effect on SILs and Non-SIL Path Limits

	Base Case			After Transmission Upgrades		
FCITC	Summer	Winter	Shoulder	Summer	Winter	Shoulder
CPLE	2,100	4,300	3,200	4,385	5,560	3,470
DUK	2,300	3,200	2,500	4,840	5,210	2,530

	Base Case*			SIL after Transmission Upgrades		
SILs	Summer	Winter	Shoulder	Summer	Winter	Shoulder
CPLE	2,637	4,838	3,994	4,922	6,098	4,264
DUK	2,279	3,011	2,247	4,819	5,021	2,277

* SIL reflects simple average of seasonal time periods during each season; reflects scheduled interchange.

	Base Case*			Path Limit after Transmission Upgrades**		
Non-SIL Path Limits	Summer	Winter	Shoulder	Summer	Winter	Shoulder
PJM to CPLE	4,946	5,227	5,831	7,274	7,637	6,981
DUK to CPLE	3,157	3,081	3,796	3,707	5,381	5,076
PJM to DUK	1,830	1,800	1,800	2,003	2,003	2,003

* Does not reflect scheduled interchange and TRM.

** Reflects the effect of contract path limitations. This means that the incremental path limits may be less than the calculated ATC increase.
The contract path limit for PJM to DUK is 2,003 MW. The contract path limit for PJM to CPLE is 6,302 MW (summer) and 6,665 MW (winter) for the Base Case; and 7,274 MW (summer) and 7,637 MW (winter) after Transmission Upgrades.

ATC Creation vs. Modeled ATC Increases

	Calculated Increases*			Modeled Increases		
Non-SIL Path Limits	Summer	Winter	Shoulder	Summer	Winter	Shoulder
PJM to CPLE	2,950	2,950	1,150	2,328	2,410	1,150
DUK to CPLE	550	2,300	1,280	550	2,300	1,280
PJM to DUK	1,500	1,500	300	173	203	203

* The calculated increases ignore any limitations due to contract path limits.

** The modeled increases take into account any limitations due to contract path limits, and the starting point (Base Case) of the analysis. They also reflect scheduled interchange and TRM.

Permanent Mitigation - Transmission Upgrades
Post-Mitigation Screen Results (Available Economic Capacity)

Duke Energy Carolinas BAA

Base Prices

	Pre-Merger HHI	Post-Merger Market Share	Post-Merger HHI	Post-Merger HHI Chg.	Post-Transmission Upgrades Market Expansion (MW)	Post-Transmission Upgrades Market Share	Post-Transmission Upgrades HHI	Post-Transmission Upgrades HHI Chg.
S_SP1	1126	26.3%	1126	-	2,540	17.2%	629	(497)
S_SP2	2277	46.5%	2349	72	2,540	34.3%	1353	(924)
S_P	1815	41.0%	1813	(2)	2,540	25.8%	859	(956)
S_OP	3434	62.4%	3963	529	2,540	47.8%	2388	(1,046)
W_SP	405	1.4%	378	(27)	2,009	1.7%	393	(12)
W_P	1091	31.3%	1168	76	1,938	22.8%	753	(339)
W_OP	1963	46.3%	2262	299	2,010	35.6%	1416	(547)
SH_SP	1472	36.4%	1475	3	30	36.0%	1451	(21)
SH_P	460	0.6%	494	35	31	0.6%	494	35
SH_OP	371	0.9%	402	31	30	0.9%	402	31

Price increase 10%

	Pre-Merger HHI	Post-Merger Market Share	Post-Merger HHI	Post-Merger HHI Chg.	Post-Transmission Upgrades Market Expansion (MW)	Post-Transmission Upgrades Market Share	Post-Transmission Upgrades HHI	Post-Transmission Upgrades HHI Chg.
S_SP1	1131	26.7%	1137	5	2,540	17.7%	631	(500)
S_SP2	2332	48.8%	2567	235	2,540	36.6%	1517	(814)
S_P	2722	52.4%	2866	144	2,539	37.4%	1539	(1,183)
S_OP	3475	63.1%	4047	572	2,540	48.4%	2439	(1,036)
W_SP	554	17.5%	560	6	2,010	11.4%	425	(129)
W_P	1090	32.0%	1202	112	2,010	23.1%	744	(346)
W_OP	2014	47.7%	2394	380	2,010	36.9%	1512	(502)
SH_SP	1779	38.4%	1779	-	30	38.2%	1759	(19)
SH_P	464	3.4%	446	(17)	31	2.9%	447	(16)
SH_OP	642	21.0%	791	149	30	20.5%	774	132

Price decrease 10%

	Pre-Merger HHI	Post-Merger Market Share	Post-Merger HHI	Post-Merger HHI Chg.	Post-Transmission Upgrades Market Expansion (MW)	Post-Transmission Upgrades Market Share	Post-Transmission Upgrades HHI	Post-Transmission Upgrades HHI Chg.
S_SP1	786	1.6%	789	3	2,540	1.8%	491	(295)
S_SP2	1488	32.6%	1489	1	2,540	20.8%	724	(764)
S_P	1820	41.1%	1826	6	2,540	25.9%	879	(941)
S_OP	2027	47.8%	2427	400	2,540	33.1%	1286	(741)
W_SP	400	0.0%	385	(15)	1,955	0.0%	415	15
W_P	516	16.8%	555	39	1,995	11.3%	441	(75)
W_OP	1530	40.0%	1756	227	2,010	29.7%	1085	(445)
SH_SP	393	0.0%	404	11	30	0.0%	404	10
SH_P	432	0.9%	348	(85)	40	0.9%	351	(82)
SH_OP	405	0.1%	387	(18)	30	0.1%	387	(18)

Permanent Mitigation - Transmission Upgrades
Post-Mitigation Screen Results (Available Economic Capacity)

Progress Energy Carolinas East BAA

Base Prices

	Pre-Merger HHI	Post-Merger Market Share	Post-Merger HHI	Post-Merger HHI Chg.	Post-Transmission Upgrades Market Expansion (MW)	Post-Transmission Upgrades Market Share	Post-Transmission Upgrades HHI	Post-Transmission Upgrades HHI Chg.
S_SP1	524	4.0%	476	(48)	2,285	4.2%	446	(79)
S_SP2	590	25.6%	897	307	2,286	18.2%	585	(4)
S_P	368	8.7%	392	24	2,285	8.5%	392	24
S_OP	1301	45.4%	2194	894	2,286	35.0%	1402	101
W_SP	466	2.0%	393	(73)	1,260	2.1%	389	(77)
W_P	336	13.5%	431	96	1,259	14.2%	445	109
W_OP	568	28.2%	992	424	1,260	26.3%	889	321
SH_SP	413	6.6%	430	17	270	7.2%	436	23
SH_P	447	0.8%	498	51	270	0.8%	514	67
SH_OP	381	4.2%	412	32	270	4.1%	419	39

Price increase 10%

	Pre-Merger HHI	Post-Merger Market Share	Post-Merger HHI	Post-Merger HHI Chg.	Post-Transmission Upgrades Market Expansion (MW)	Post-Transmission Upgrades Market Share	Post-Transmission Upgrades HHI	Post-Transmission Upgrades HHI Chg.
S_SP1	465	5.4%	441	(24)	2,285	5.6%	415	(49)
S_SP2	699	31.1%	1170	471	2,285	22.8%	739	40
S_P	729	35.3%	1445	715	2,285	27.8%	972	242
S_OP	1379	45.5%	2205	826	2,285	35.1%	1402	22
W_SP	394	1.7%	409	15	1,260	1.8%	415	21
W_P	353	14.0%	452	100	1,260	13.9%	451	98
W_OP	598	27.8%	988	391	1,260	26.1%	896	299
SH_SP	443	8.9%	421	(22)	271	9.3%	421	(22)
SH_P	460	10.3%	451	(9)	270	9.8%	456	(4)
SH_OP	822	26.6%	932	110	270	25.6%	889	67

Price decrease 10%

	Pre-Merger HHI	Post-Merger Market Share	Post-Merger HHI	Post-Merger HHI Chg.	Post-Transmission Upgrades Market Expansion (MW)	Post-Transmission Upgrades Market Share	Post-Transmission Upgrades HHI	Post-Transmission Upgrades HHI Chg.
S_SP1	567	1.5%	517	(50)	2,286	1.7%	490	(77)
S_SP2	485	4.6%	440	(45)	2,285	4.4%	423	(62)
S_P	339	8.1%	367	28	2,285	8.0%	372	33
S_OP	1198	35.4%	1423	224	2,286	24.7%	856	(342)
W_SP	524	0.0%	445	(79)	1,260	0.0%	475	(49)
W_P	474	5.1%	425	(49)	1,259	4.2%	448	(26)
W_OP	495	20.1%	655	160	1,260	19.5%	634	139
SH_SP	375	0.0%	410	36	270	0.0%	416	41
SH_P	423	1.0%	405	(18)	270	1.0%	417	(6)
SH_OP	375	0.5%	366	(10)	271	0.5%	362	(14)

Creation of Additional Competing Supply from Transmission Upgrades

Duke Energy Carolinas BAA

Base Prices

	Pre-Merger Rival Capacity	Post-Transmission Upgrades: Market Expansion (MW)	Post-Transmission Upgrades: Rival Capacity	Post-Transmission Upgrades: Increase in Rival Capacity
S_SP1	3,003	2,540	5,477	2,474
S_SP2	3,456	2,540	5,852	2,396
S_P	2,220	2,540	4,678	2,458
S_OP	2,779	2,540	4,766	1,987
W_SP	2,614	2,009	4,603	1,989
W_P	3,044	1,938	4,854	1,810
W_OP	3,320	2,010	5,033	1,713

Price increase 10%

	Pre-Merger Rival Capacity	Post-Transmission Upgrades: Market Expansion (MW)	Post-Transmission Upgrades: Rival Capacity	Post-Transmission Upgrades: Increase in Rival Capacity
S_SP1	2,988	2,540	5,443	2,455
S_SP2	3,462	2,540	5,692	2,230
S_P	2,691	2,539	5,028	2,337
S_OP	2,793	2,540	4,758	1,965
W_SP	2,671	2,010	4,645	1,974
W_P	3,096	2,010	4,962	1,866
W_OP	3,372	2,010	5,022	1,650

Price decrease 10%

	Pre-Merger Rival Capacity	Post-Transmission Upgrades: Market Expansion (MW)	Post-Transmission Upgrades: Rival Capacity	Post-Transmission Upgrades: Increase in Rival Capacity
S_SP1	3,011	2,540	5,495	2,484
S_SP2	2,632	2,540	5,108	2,476
S_P	2,220	2,540	4,672	2,452
S_OP	2,625	2,540	4,794	2,169
W_SP	2,662	1,955	4,626	1,964
W_P	3,156	1,995	5,075	1,919
W_OP	3,372	2,010	5,168	1,796

Progress Energy Carolinas East BAA

Base Prices

	Pre-Merger Rival Capacity	Post-Transmission Upgrades: Market Expansion (MW)	Post-Transmission Upgrades: Rival Capacity	Post-Transmission Upgrades: Increase in Rival Capacity
S_SP1	2,341	2,285	4,434	2,093
S_SP2	2,399	2,286	4,230	1,831
S_P	3,136	2,285	4,961	1,825
S_OP	3,019	2,286	4,364	1,345

Price increase 10%

	Pre-Merger Rival Capacity	Post-Transmission Upgrades: Market Expansion (MW)	Post-Transmission Upgrades: Rival Capacity	Post-Transmission Upgrades: Increase in Rival Capacity
S_SP1	2,341	2,285	4,371	2,030
S_SP2	2,400	2,285	4,072	1,672
S_P	3,321	2,285	4,664	1,343
S_OP	3,019	2,285	4,418	1,399

Price decrease 10%

	Pre-Merger Rival Capacity	Post-Transmission Upgrades: Market Expansion (MW)	Post-Transmission Upgrades: Rival Capacity	Post-Transmission Upgrades: Increase in Rival Capacity
S_SP1	2,341	2,286	4,551	2,210
S_SP2	3,250	2,285	5,324	2,074
S_P	3,136	2,285	4,987	1,851
S_OP	3,019	2,286	5,058	2,039

Permanent Mitigation - Transmission Upgrades and Set-Aside
Post-Mitigation Screen Results (Available Economic Capacity)

Progress Energy Carolinas East BAA

	Base Prices				Price increase 10%				Price decrease 10%			
	Pre-Merger HHI	Post-Mitigation Market Share	Post-Mitigation HHI	HHI Chg.	Pre-Merger HHI	Post-Mitigation Market Share	Post-Mitigation HHI	HHI Chg.	Pre-Merger HHI	Post-Mitigation Market Share	Post-Mitigation HHI	HHI Chg.
S_SP1	524	4.2%	446	(79)	465	5.6%	415	(49)	567	1.7%	490	(77)
S_SP2	590	18.2%	585	(4)	699	22.8%	739	40	485	4.4%	423	(62)
S_P	368	8.5%	392	24	729	27.8%	972	242	339	8.0%	372	33
S_OP	1301	34.8%	1392	91	1379	34.9%	1393	14	1198	24.6%	854	(344)
W_SP	466	2.1%	389	(77)	394	1.8%	415	21	524	0.0%	475	(49)
W_P	336	14.2%	445	109	353	13.9%	451	98	474	4.2%	448	(26)
W_OP	568	26.3%	889	321	598	26.1%	896	299	495	19.5%	634	139
SH_SP	413	7.2%	436	23	443	9.3%	421	(22)	375	0.0%	416	41
SH_P	447	0.8%	514	67	460	9.8%	456	(4)	423	1.0%	417	(6)
SH_OP	381	4.1%	419	39	822	25.6%	889	67	375	0.5%	362	(14)